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DAVID S. ROSENZWEIG
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October 28, 2005

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, MA 02110

Re: Investigation by the Department of Telecommunications and Energy on its Own Motion to Increase the Participation Rate for Discounted Electric, Gas and Telephone Service Pursuant to G.L. c. 159, § 105 and G.L. c. 164, § 76, D.T.E. 01-106/05-55/05-56

Dear Secretary Cottrell:

Pursuant to a request by the Department of Telecommunications and Energy (the "Department") in the above-referenced proceeding, please find attached revised proposed Residential Assistance Adjustment Clause ("RAAC") compliance tariffs on behalf of Boston Edison Company, Cambridge Electric Light Company and Commonwealth Electric Company d/b/a NSTAR Electric ("NSTAR Electric") and NSTAR Gas Company (together the "Companies"). The Companies respectfully request that the Department approve the attached tariffs for effect November 1, 2005. The following revised compliance tariffs for each of the Companies are attached, in both clean and red-lined versions, to reflect changes made to the original versions of these tariffs filed on October 17, 2005:

M.D.T.E. 110	Boston Edison Company
M.D.T.E. 210	Cambridge Electric Light Company
M.D.T.E. 310	Commonwealth Electric Company
M.D.T.E. 407	NSTAR Gas Company

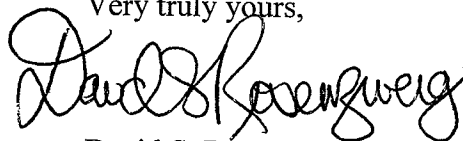
Please note that, effective November 1, 2005, the Residential Assistance Adjustment Factor ("RAAF") for NSTAR Gas will be:

\$0.0004 per therm for NSTAR Gas.

The Companies have attached a schedule for NSTAR Gas that provides the basis for this calculation (Attachment 1), along with an additional schedule that demonstrates the methodology that the Companies intend to use to reconcile the RAAF next year (Attachment 2). Please note that, for NSTAR Electric, the Companies will file RAAFs on the same schedule as the Companies' transition cost reconciliation filings, in early December, for effect January 1, 2006. The NSTAR Electric RAAFs will be reconciled on January 1st of each year beginning on January 1, 2007, and for NSTAR Gas, the RAAF will reconcile on November 1st of each year.

Thank you for your consideration of the attached tariffs. Please contact me or Kerry Britland at NSTAR Electric (781-441-8219) if you have any questions regarding this filing.

Very truly yours,

A handwritten signature in black ink, appearing to read "David S. Rosenzweig". The signature is fluid and cursive, with the first name "David" being the most prominent.

David S. Rosenzweig

cc: Andrew Kaplan, General Counsel
Jeanne Voveris, Hearing Officer
Elizabeth Cellucci, Hearing Officer
Ronald LeComte, Director, Electric Power Division
George Yankos, Director, Gas Division
Kevin Brannelly, Director, Rates Division
Joseph Rogers, Chief, Utilities Division, Office of the Attorney General
Colleen McConnell, Office of the Attorney General
Service List, D.T.E. 01-106

Enclosures

RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE

RATE RAAC

1.01 Purpose

The purpose of the Residential Assistance Adjustment Clause ("RAAC") is to provide Boston Edison Company ("Boston Edison" or the "Company") a mechanism for the recovery of lost revenue, on an annual basis and subject to the jurisdiction of the Department of Telecommunications and Energy (the "Department"), based on the incremental increase of Residential Assistance customers enrolled in the Company's discounted rate (Rate R-2) as a result of a computer data matching program with the Massachusetts Executive Office of Health and Human Services ("EOHHS"), as described in the Department's D.T.E. 01-106 order, as well as through traditional outreach programs. The RAAC would be subject to annual reconciliation/truëup based on actual sales and revenue.

1.02 Applicability

The RAAC shall be applicable to all Customers. For billing purposes, the RAAC shall be included in the Distribution Charge.

1.03 Effective Date of Annual Adjustment Factor

The Residential Assistance Adjustment Factor ("RAAF") shall be effective on January 1, 2006, subject to an adjustment on the first day of each following calendar year commencing on January 1, 2007, pursuant to the reconciliation as described herein, unless otherwise ordered by the Department.

1.04 Definitions

The following terms shall be used in this tariff as defined in this section, unless the context requires otherwise.

- (1) "Distribution Company" or "Company" is Boston Edison Company d/b/a NSTAR Electric Company.
- (2) "Baseline Period" is the twelve-month period ended June 30, 2005.
- (3) "Baseline Revenue" is the amount of low-income discount revenue in the Baseline Period. The Baseline Revenue shall be computed as the difference between the delivery rate revenue that would have been collected from customers had no low-income discount existed and the actual delivery rate revenue collected from customers on low-income tariffs during the Baseline Period.
- (4) "Recoverable Revenue" is the actual amount of discount revenue in each twelve (12) month period subsequent to the Baseline Period in excess of the Baseline Revenue. The discount

RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE

RATE RAAC

revenue shall be calculated as described above in (3). The Recoverable Revenue shall not be less than zero.

- (5) "Recovery Period" is the 12-month period beginning January 1 of each year.
- (6) "Recoverable Year" is the 12-month period beginning July 1 of each year.

1.05 Residential Assistance Adjustment Factor Formula

$$RAAF_x = [(RA_x) + Cust_x(DCust\$_x) + Cust_x(AvgkWh_x)(DkWh\$_x)]/FkWh_x$$

- $RAAF_x$ = The annual Residential Assistance Adjustment Factor.
- RA_x = The Reconciliation Adjustment for Year_x shall be the difference between the Recoverable Revenue from the last completed Recoverable Year and the actual revenue recovered during the Recovery Period. Reconciliations shall be performed annually and interest shall be calculated on the average monthly reconciling balance using the prime rate computed in accordance with 220 C.M.R. § 6.08(2) and added to the reconciling balance.
- $Cust_x$ = The estimated net increase in the number of customers enrolled on the Company's Residential Assistance Rate over that for the Baseline Period.
- $AvgkWh_x$ = The estimated average kWh usage per customer for the forecast period determined from the historical kWh usage under the Company's Residential Assistance Rate.
- $DCust\$_x$ = The difference between the non-discounted and discounted customer charge for the applicable rates.
- $DkWh\$_x$ = The difference between the non-discounted and discounted kWh charges for the applicable rates.
- $FkWh_x$ = The estimated total kWh sales in the forecast period.

1.06 Information Required to be Filed with the Department

Information pertaining to the RAAC shall be filed with the Department at least thirty (30) days before the date on which a new RAAF is to be effective. This information shall be submitted with each annual RAAF filing, along with complete documentation of the reconciliation-adjustment calculations.

RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE

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The purpose of the Residential Assistance Adjustment Clause ("RAAC") is to provide Boston Edison Company ("Boston Edison" or the "Company") a mechanism for the recovery of lost revenue, on an annual basis and subject to the jurisdiction of the Department of Telecommunications and Energy (the "Department"), based on the incremental increase of Residential Assistance customers enrolled in the Company's discounted rate (Rate R-2) as a result of a computer data matching program with the Massachusetts Executive Office of Health and Human Services ("EOHHS"), as described in the Department's D.T.E. 01-106 order, as well as through traditional outreach programs. The RAAC would be subject to annual reconciliation/true-up based on actual sales and revenue.

1.02 Applicability

The RAAC shall be applicable to all Customers. For billing purposes, the RAAC shall be included in the Distribution Charge.

1.03 Effective Date of Annual Adjustment Factor

The Residential Assistance Adjustment Factor ("RAAF") shall be effective on January 1, 2006, subject to an adjustment on the first day of each following calendar year commencing on January 1, 2007, pursuant to the reconciliation as described herein, unless otherwise ordered by the Department.

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1.04 Definitions

The following terms shall be used in this tariff as defined in this section, unless the context requires otherwise.

- (1) "Distribution Company" or "Company" is Boston Edison Company d/b/a NSTAR Electric Company.
- (2) "Baseline Period" is the twelve-month period ended June 30, 2005.
- (3) "Baseline Revenue" is the amount of low-income discount revenue in the Baseline Period. The Baseline Revenue shall be computed as the difference between the delivery rate revenue that would have been collected from customers had no low-income discount existed and the actual delivery rate revenue collected from customers on low-income tariffs during the Baseline Period.
- (4) "Recoverable Revenue" is the actual amount of discount revenue in each twelve (12) month period subsequent to the Baseline Period in excess of the Baseline Revenue. The discount

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President

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RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE

RATE RAAC

revenue shall be calculated as described above in (3). The Recoverable Revenue shall not be less than zero.

(5) "Recovery Period" is the 12-month period beginning January 1 of each year.

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(6) "Recoverable Year" is the 12-month period beginning July 1 of each year.

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1.05 Residential Assistance Adjustment Factor Formula

$$RAAF_x = [(RA_x) + Cust_x(DCust\$_x) + Cust_x(AvgkWh_x)(DkWh\$_x)]/FkWh_x$$

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RAAF_x = The annual Residential Assistance Adjustment Factor.

RA_x = The Reconciliation Adjustment for Year_x shall be the difference between the Recoverable Revenue from the last completed Recoverable Year and the actual revenue recovered during the Recovery Period. Reconciliations shall be performed annually and interest shall be calculated on the average monthly reconciling balance using the prime rate computed in accordance with 220 C.M.R. § 6.08(2) and added to the reconciling balance.

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Cust_x = The estimated net increase in the number of customers enrolled on the Company's Residential Assistance Rate over that for the Baseline Period.

AvgkWh_x = The estimated average kWh usage per customer for the forecast period determined from the historical kWh usage under the Company's Residential Assistance Rate.

DCust\$_x = The difference between the non-discounted and discounted customer charge for the applicable rates.

DkWh\$_x = The difference between the non-discounted and discounted kWh charges for the applicable rates.

FkWh_x = The estimated total kWh sales in the forecast period.

1.06 Information Required to be Filed with the Department

Information pertaining to the RAAC shall be filed with the Department at least thirty (30) days before the date on which a new RAAF is to be effective. This information shall be submitted with each annual RAAF filing, along with complete documentation of the reconciliation-adjustment calculations.

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RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE

RATE RAAC

1.01 Purpose

The purpose of the Residential Assistance Adjustment Clause ("RAAC") is to provide Cambridge Electric Light Company ("Cambridge Electric" or the "Company") a mechanism for the recovery of lost revenue, on an annual basis and subject to the jurisdiction of the Department of Telecommunications and Energy (the "Department"), based on the incremental increase of Residential Assistance customers enrolled in the Company's discounted rates (Rate R-2 and Rate R-4) as a result of a computer data matching program with the Massachusetts Executive Office of Health and Human Services ("EOHHS"), as described in the Department's D.T.E. 01-106 order, as well as through traditional outreach programs. The RAAC would be subject to annual reconciliation/true-up based on actual sales and revenue.

1.02 Applicability

The RAAC shall be applicable to all Customers. For billing purposes, the RAAC shall be included in the Distribution Charge.

1.03 Effective Date of Annual Adjustment Factor

The Residential Assistance Adjustment Factor ("RAAF") shall be effective on January 1, 2006, subject to an adjustment on the first day of each following calendar year commencing on January 1, 2007, pursuant to the reconciliation as described herein, unless otherwise ordered by the Department.

1.04 Definitions

The following terms shall be used in this tariff as defined in this section, unless the context requires otherwise.

- (1) "Distribution Company" or "Company" is Cambridge Electric Light Company d/b/a NSTAR Electric Company.
- (2) "Baseline Period" is the twelve-month period ended June 30, 2005.
- (3) "Baseline Revenue" is the amount of low-income discount revenue in the Baseline Period. The Baseline Revenue shall be computed as the difference between the delivery rate revenue that would have been collected from customers had no low-income discount existed and the actual delivery rate revenue collected from customers on low-income tariffs during the Baseline Period.

RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE

RATE RAAC

- (4) "Recoverable Revenue" is the actual amount of discount revenue in each twelve (12) month period subsequent to the Baseline Period in excess of the Baseline Revenue. The discount revenue shall be calculated as described above in (3). The Recoverable Revenue shall not be less than zero.
- (5) "Recovery Period" is the 12-month period beginning January 1 of each year.
- (6) "Recoverable Year" is the 12-month period beginning July 1 of each year.

1.05 Residential Assistance Adjustment Factor Formula

$$RAAF_x = [(RA_x) + Cust_x(DCust\$_x) + Cust_x(AvgkWh_x)(DkWh\$_x)]/FkWh_x$$

$RAAF_x =$	The annual Residential Assistance Adjustment Factor.
$RA_x =$	The Reconciliation Adjustment for Year _x shall be the difference between the Recoverable Revenue from the last completed Recoverable Year and the actual revenue recovered during the Recovery Period. Reconciliations shall be performed annually and interest shall be calculated on the average monthly reconciling balance using the prime rate computed in accordance with 220 C.M.R. § 6.08(2) and added to the reconciling balance.
$Cust_x =$	The estimated net increase in the number of customers enrolled on the Company's Residential Assistance Rates over that for the Baseline Period.
$AvgkWh_x =$	The estimated average kWh usage per customer for the forecast period determined from the historical kWh usage under the Company's Residential Assistance Rates.
$DCust\$_x =$	The difference between the non-discounted and discounted customer charge for the applicable rates
$DkWh\$_x =$	The difference between the non-discounted and discounted kWh charges for the applicable rates.
$FkWh_x =$	The estimated total kWh sales in the forecast period.

1.06 Information Required to be Filed with the Department

Information pertaining to the RAAC shall be filed with the Department at least thirty (30) days before the date on which a new RAAF is to be effective. This information shall be submitted with each annual RAAF filing, along with complete documentation of the reconciliation-adjustment calculations.

RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE

RATE RAAC

1.01 Purpose

The purpose of the Residential Assistance Adjustment Clause ("RAAC") is to provide Cambridge Electric Light Company ("Cambridge Electric" or the "Company") a mechanism for the recovery of lost revenue, on an annual basis and subject to the jurisdiction of the Department of Telecommunications and Energy (the "Department"), based on the incremental increase of Residential Assistance customers enrolled in the Company's discounted rates (Rate R-2 and Rate R-4) as a result of a computer data matching program with the Massachusetts Executive Office of Health and Human Services ("EOHHS"), as described in the Department's D.T.E. 01-106 order, as well as through traditional outreach programs. The RAAC would be subject to annual reconciliation/true-up based on actual sales and revenue.

1.02 Applicability

The RAAC shall be applicable to all Customers. For billing purposes, the RAAC shall be included in the Distribution Charge.

1.03 Effective Date of Annual Adjustment Factor

The Residential Assistance Adjustment Factor ("RAAF") shall be effective on January 1, 2006, subject to an adjustment on the first day of each following calendar year commencing on January 1, 2007, pursuant to the reconciliation as described herein, unless otherwise ordered by the Department.

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1.04 Definitions

The following terms shall be used in this tariff as defined in this section, unless the context requires otherwise.

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- (2) "Baseline Period" is the twelve-month period ended June 30, 2005.
- (3) "Baseline Revenue" is the amount of low-income discount revenue in the Baseline Period. The Baseline Revenue shall be computed as the difference between the delivery rate revenue that would have been collected from customers had no low-income discount existed and the actual delivery rate revenue collected from customers on low-income tariffs during the Baseline Period.

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President

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RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE

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- (4) "Recoverable Revenue" is the actual amount of discount revenue in each twelve (12) month period subsequent to the Baseline Period in excess of the Baseline Revenue. The discount revenue shall be calculated as described above in (3). The Recoverable Revenue shall not be less than zero.
- (5) "Recovery Period" is the 12-month period beginning January 1 of each year.
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1.05 Residential Assistance Adjustment Factor Formula

$$RAAF_x = [(RA_x) + Cust_x(DCust\$_x) + Cust_x(AvgkWh_x)(DkWh\$_x)]/FkWh_x$$

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RAAF_x = The annual Residential Assistance Adjustment Factor.

RA_x = The Reconciliation Adjustment for Year_x shall be the difference between the Recoverable Revenue from the last completed Recoverable Year and the actual revenue recovered during the Recovery Period. Reconciliations shall be performed annually and interest shall be calculated on the average monthly reconciling balance using the prime rate computed in accordance with 220 C.M.R. § 6.08(2) and added to the reconciling balance.

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Cust_x = The estimated net increase in the number of customers enrolled on the Company's Residential Assistance Rates over that for the Baseline Period.

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AvgkWh_x = The estimated average kWh usage per customer for the forecast period determined from the historical kWh usage under the Company's Residential Assistance Rates.

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DCust_x = The difference between the non-discounted and discounted customer charge for the applicable rates.

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FkWh_x = The estimated total kWh sales in the forecast period.

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RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE

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The purpose of the Residential Assistance Adjustment Clause ("RAAC") is to provide Commonwealth Electric Company ("Commonwealth Electric" or the "Company") a mechanism for the recovery of lost revenue, on an annual basis and subject to the jurisdiction of the Department of Telecommunications and Energy (the "Department"), based on the incremental increase of Residential Assistance customers enrolled in the Company's discounted rates (Rate R-2 and Rate R-4) as a result of a computer data matching program with the Massachusetts Executive Office of Health and Human Services ("EOHHS"), as described in the Department's D.T.E. 01-106 order, as well as through traditional outreach programs. The RAAC would be subject to annual reconciliation/true-up based on actual sales and revenue.

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The RAAC shall be applicable to all Customers. For billing purposes, the RAAC shall be included in the Distribution Charge.

1.03 Effective Date of Annual Adjustment Factor

The Residential Assistance Adjustment Factor ("RAAF") shall be effective on January 1, 2006, and subject to an adjustment on the first day of each following calendar year commencing on January 1, 2007, pursuant to the reconciliation as described herein, unless otherwise ordered by the Department.

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RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE

RATE RAAC

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$$RAAF_x = [(RA_x) + Cust_x(DCust\$_x) + Cust_x(AvgkWh_x)(DkWh\$_x)]/FkWh_x$$

- $RAAF_x$ = The annual Residential Assistance Adjustment Factor.
- RA_x = The Reconciliation Adjustment for Year_x shall be the difference between the Recoverable Revenue from the last completed Recoverable Year and the actual revenue recovered during the Recovery Period. Reconciliations shall be performed annually and interest shall be calculated on the average monthly reconciling balance using the prime rate computed in accordance with 220 C.M.R. § 6.08(2) and added to the reconciling balance.
- $Cust_x$ = The estimated net increase in the number of customers enrolled on the Company's Residential Assistance Rates over that for the Baseline Period.
- $AvgkWh_x$ = The estimated average kWh usage per customer for the forecast period determined from the historical kWh usage under the Company's Residential Assistance Rates.
- $DCust\$_x$ = The difference between the non-discounted and discounted customer charge for the applicable rates.
- $DkWh\$_x$ = The difference between the non-discounted and discounted kWh charges for the applicable rates.
- $FkWh_x$ = The estimated total kWh sales in the forecast period.

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Information pertaining to the RAAC shall be filed with the Department at least thirty (30) days before the date on which a new RAAF is to be effective. This information shall be submitted with each annual RAAF filing, along with complete documentation of the reconciliation-adjustment calculations.

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The purpose of the Residential Assistance Adjustment Clause ("RAAC") is to provide Commonwealth Electric Company ("Commonwealth Electric" or the "Company") a mechanism for the recovery of lost revenue, on an annual basis and subject to the jurisdiction of the Department of Telecommunications and Energy (the "Department"), based on the incremental increase of Residential Assistance customers enrolled in the Company's discounted rates (Rate R-2 and Rate R-4) as a result of a computer data matching program with the Massachusetts Executive Office of Health and Human Services ("EOHHS"), as described in the Department's D.T.E. 01-106 order, as well as through traditional outreach programs. The RAAC would be subject to annual reconciliation/true-up based on actual sales and revenue.

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The RAAC shall be applicable to all Customers. For billing purposes, the RAAC shall be included in the Distribution Charge.

1.03 Effective Date of Annual Adjustment Factor

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- (2) "Baseline Period" is the twelve-month period ended June 30, 2005.
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- (4) "Recoverable Revenue" is the actual amount of discount revenue in each twelve (12) month period subsequent to the Baseline Period in excess of the Baseline Revenue. The discount revenue shall be calculated as described above in (3). The Recoverable Revenue shall not be less than zero.
- (5) "Recovery Period" is the 12-month period beginning January 1 of each year.
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1.05 Residential Assistance Adjustment Factor Formula

$$RAAF_x = [(RA_x) + Cust_x(DCust\$_x) + Cust_x(AvgkWh_x)(DkWh\$_x)]/FkWh_x$$

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RAAF_x = The annual Residential Assistance Adjustment Factor.

RA_x = The Reconciliation Adjustment for Year_x shall be the difference between the Recoverable Revenue from the last completed Recoverable Year and the actual revenue recovered during the Recovery Period. Reconciliations shall be performed annually and interest shall be calculated on the average monthly reconciling balance using the prime rate computed in accordance with 220 C.M.R. § 6.08(2) and added to the reconciling balance.

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Cust_x = The estimated net increase in the number of customers enrolled on the Company's Residential Assistance Rates over that for the Baseline Period.

AvgkWh_x = The estimated average kWh usage per customer for the forecast period determined from the historical kWh usage under the Company's Residential Assistance Rates.

DCust\$_x = The difference between the non-discounted and discounted customer charge for the applicable rates.

DkWh\$_x = The difference between the non-discounted and discounted kWh charges for the applicable rates.

FkWh_x = The estimated total kWh sales in the forecast period.

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Information pertaining to the RAAC shall be filed with the Department at least thirty (30) days before the date on which a new RAAF is to be effective. This information shall be submitted with each annual RAAF filing, along with complete documentation of the reconciliation-adjustment calculations.

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RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE**RATE RAAC****1.01 Purpose**

The purpose of the Residential Assistance Adjustment Clause ("RAAC") is to provide NSTAR Gas Company ("NSTAR Gas" or the "Company") a mechanism for the recovery of lost revenue, on an annual basis and subject to the jurisdiction of the Department of Telecommunications and Energy (the "Department"), based on the incremental increase of Residential Assistance customers enrolled in the Company's discounted rates (Rate R-2 and Rate R-4) as a result of a computer data matching program with the Massachusetts Executive Office of Health and Human Services ("EOHHS"), as described in the Department's D.T.E. 01-106 order, as well as through traditional outreach programs. The RAAC would be subject to annual reconciliation/trueup based on actual sales and revenue.

1.02 Applicability

The RAAC shall be applicable to all Firm Customers. For billing purposes, the RAAC shall be included in the Local Distribution Adjustment Clause.

1.03 Effective Date of Annual Adjustment Factor

The Residential Assistance Adjustment Factor ("RAAF") shall be effective on November 1, 2005, and will be subject to an adjustment on the first day of November for each following calendar year pursuant to the reconciliation as described herein unless otherwise ordered by the Department.

1.04 Definitions

The following terms shall be used in this tariff as defined in this section, unless the context requires otherwise.

- (1) "Distribution Company" or "Company" is NSTAR Gas Company.
- (2) "Baseline Period" is the twelve-month period ended June 30, 2005.
- (3) "Baseline Revenue" is the amount of low-income discount revenue in the Baseline Period. The Baseline Revenue shall be computed on a weather-normalized basis as the difference between the delivery rate revenue that would have been collected from customers had no low-income discount existed and the actual delivery rate revenue collected from customers on low-income tariffs during the Baseline Period.

RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE**RATE RAAC**

- (4) "Recoverable Revenue" is the actual amount of discount revenue in each twelve (12) month period subsequent to the Baseline Period in excess of the Baseline Revenue. The discount revenue shall be calculated as described above in (3). The Recoverable Revenue shall not be less than zero.
- (5) "Recovery Period" is the 12-month period beginning November 1 of each year.
- (6) "Recoverable Year" is the 12-month period beginning July 1 of each year.

1.05 Residential Assistance Adjustment Factor Formula

$$RAAF_x = [(RA_x) + Cust_x(DCust\$_x) + Cust_x(AvgUse_x)(DUse\$_x)]/FUse_x$$

RAAF = The annual Residential Assistance Adjustment Factor.

RA_x = The Reconciliation Adjustment for Year_x shall be the difference between the Recoverable Revenue from the last completed Recoverable Year and the actual revenue recovered during the Recovery Period. Reconciliations shall be performed annually and interest shall be calculated on the average monthly reconciling balance using the prime rate computed in accordance with 220 C.M.R. § 6.08(2) and added to the reconciling balance.

Cust_x = The estimated net increase in the number of customers enrolled on the Company's Residential Assistance Rates over that for the Baseline Period.

AvgUse_x = The estimated average weather-normalized therm usage per customer for the forecast period determined from the historical therm usage under the Company's Residential Assistance Rates.

DCust\$_x = The difference between the non-discounted and discounted customer charge for the applicable rates.

DUse\$_x = The difference between the non-discounted and discounted Therm charges for the applicable rates.

FUse_x = The estimated total weather-normalized Therm sales in the forecast period.

1.06 Information Required to be Filed with the Department

Information pertaining to the RAAC shall be filed with the Department at least forty-five (45) days before the date on which a new RAAF is to be effective. This information shall be submitted with

Issued by: Thomas J. May
President

Filed: October 28, 2005
Effective: November 1, 2005

RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE**RATE RAAC**

each annual RAAF filing, along with complete documentation of the reconciliation-adjustment calculations.

RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE**RATE RAAC****1.01 Purpose**

The purpose of the Residential Assistance Adjustment Clause ("RAAC") is to provide NSTAR Gas Company ("NSTAR Gas" or the "Company") a mechanism for the recovery of lost revenue, on an annual basis and subject to the jurisdiction of the Department of Telecommunications and Energy (the "Department"), based on the incremental increase of Residential Assistance customers enrolled in the Company's discounted rates (Rate R-2 and Rate R-4) as a result of a computer data matching program with the Massachusetts Executive Office of Health and Human Services ("EOHHS"), as described in the Department's D.T.E. 01-106 order, as well as through traditional outreach programs. The RAAC would be subject to annual reconciliation/true-up based on actual sales and revenue.

1.02 Applicability

The RAAC shall be applicable to all Firm Customers. For billing purposes, the RAAC shall be included in the Local Distribution Adjustment Clause.

1.03 Effective Date of Annual Adjustment Factor

The Residential Assistance Adjustment Factor ("RAAF") shall be effective on November 1, 2005, and will be subject to an adjustment on the first day of November for each following calendar year pursuant to the reconciliation as described herein, unless otherwise ordered by the Department.

1.04 Definitions

The following terms shall be used in this tariff as defined in this section, unless the context requires otherwise.

- (1) "Distribution Company" or "Company" is NSTAR Gas Company.
- (2) "Baseline Period" is the twelve-month period ended June 30, 2005.
- (3) "Baseline Revenue" is the amount of low-income discount revenue in the Baseline Period. The Baseline Revenue shall be computed on a weather-normalized basis as the difference between the delivery rate revenue that would have been collected from customers had no low-income discount existed and the actual delivery rate revenue collected from customers on low-income tariffs during the Baseline Period.

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- (4) "Recoverable Revenue" is the actual amount of discount revenue in ~~each twelve (12) month~~ period subsequent to the Baseline Period in excess of the Baseline Revenue. The discount revenue shall be calculated as described above in (3). The Recoverable Revenue shall not be less than zero.
- (5) "Recovery Period" is the 12-month period beginning November 1 of each year.
- (6) "Recoverable Year" is the 12-month period beginning July 1 of each year.

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1.05 Residential Assistance Adjustment Factor Formula

$$RAAF_x = [(RA_x) + Cust_x(DCust\$_x) + Cust_x(AvgUse_x)(DUse\$_x)]/FUse_x$$

RAAF = The annual Residential Assistance Adjustment Factor.

RA_x = The Reconciliation Adjustment for Year_x shall be the difference between the Recoverable Revenue from the last completed Recoverable Year and the actual revenue recovered during the Recovery Period. Reconciliations shall be performed annually and interest shall be calculated on the average monthly reconciling balance using the prime rate computed in accordance with 220 C.M.R. § 6.08(2) and added to the reconciling balance.

Cust_x = The estimated net increase in the number of customers enrolled on the Company's Residential Assistance Rates over that for the Baseline Period.

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DCust\$_x = The difference between the non-discounted and discounted customer charge for the applicable rates.

DUse\$_x = The difference between the non-discounted and discounted Therm charges for the applicable rates.

FUse_x = The estimated total weather-normalized Therm sales in the forecast period.

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Information pertaining to the RAAC shall be filed with the Department at least ~~forty-five (45)~~ days before the date on which a new RAAF is to be effective. This information shall be submitted with

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RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE**RATE RAAC**

each annual RAAF filing, along with complete documentation of the reconciliation-adjustment calculations.

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NSTAR Gas Company									
Low Income Adjustment - RAAF									
November 1, 2005 - October 31, 2006									
Line #	Rate R-2 Non-Heating	Bills	Winter Block 1 Therms/Cust	Winter Block 2 Therms/Cust	Summer Block 1 Therms/Cust	Summer Block 2 Therms/Cust			
1	Monthly Billing Quantities								Monthly quantities thru 06/05
2	Base Line	1,486							Estimated quantities thru 06/06
3	Forecasted + EOHS	1,619							6 Reflects annual usage thru 6/05
4	Difference - Incremental	133	14	6	8				
5									
6		\$/Cust	\$/therm	\$/therm	\$/therm	\$/therm			
7	Rate R-1	6.50	0.6871	0.4258	0.6225	0.3612			Rates effective 7/04 - 6/05
8	Rate R-2	5.20	0.4849	0.2558	0.4403	0.2312			Rates effective 7/04 - 6/05
9	Difference	1.30	0.2222	0.17	0.1822	0.13			
10									
11	Monthly Revenue Diff	\$ 199	\$ 476	\$ 156	\$ 223	\$ 119			Line 4 x Line 9
12	months	12	6	6	6	6			
13	Total Rate R-2 Discount	\$ 2,387	\$ 2,866	\$ 936	\$ 1,338	\$ 716			
14									
15									
16	Rate R-4 Heating	Bills	Winter Block 1 Therms/Cust	Winter Block 2 Therms/Cust	Summer Block 1 Therms/Cust	Summer Block 2 Therms/Cust			
17									
18	Monthly Billing Quantities								Monthly quantities thru 06/05
19	Base Line	16,057							Estimated quantities thru 06/06
20	Forecasted + EOHS	17,152							18 Reflects annual usage thru 6/05
21	Difference - Incremental	1,095	48	78	18				
22									
23		\$/Cust	\$/therm	\$/therm	\$/therm	\$/therm			
24	Rate R-3	6.50	0.541	0.2466	0.541	0.2466			Rates effective 7/04 - 6/05
25	Rate R-4	5.20	0.3552	0.1163	0.3552	0.1163			Rates effective 7/04 - 6/05
26	Difference	1.30	0.1858	0.1303	0.1858	0.1303			
27									
28	Revenue Difference	\$ 1,424	\$ 9,766	\$ 11,129	\$ 3,662	\$ 2,568			Line 21 x Line 26
29	months	12	6	6	6	6			
30	Total Rate R-4 Discount	\$ 17,082	\$ 58,594	\$ 66,774	\$ 21,973	\$ 15,409			
31									
32	Total Revenue Difference	\$ 188,084							Line 13 + Line 30 all columns
33	Prior Year Adjustment	\$ -							Line 32 + Line 33
34	Total Revenue for Recovery	\$ 188,084							Projected 11/06 - 10/06
35	Total therms	466,861,570							Line 34 / Line 35
36	RAAF Adjustment	0.0004 per therm							

NSTAR Gas Company									
Low Income Discount									
Reconciling Adjustment - 12 Months Ended 10/06									
Line #	Rate R-2 Non-Heating	Bills	Winter Block 1 Therms	Winter Block 2 Therms	Summer Block 1 Therms	Summer Block 2 Therms	Total Revenue		
1	Monthly Billing Quantities - Baseline	17,597	73,676	57,117	116,565	105,286		Reflects annual stats thru 6/05	
2	Monthly Billing Quantities - Actual	17,597	73,676	57,117	116,565	105,286		Reflects annual stats thru 6/06	
3									
4		\$/Cust	\$/therm	\$/therm	\$/therm	\$/therm			
5	Rate R-1	6.50	0.6871	0.4258	0.6225	0.3612		Rates effective 7/04 - 6/05	
6	Rate R-2	5.20	0.4649	0.2558	0.4403	0.2312		Rates effective 7/04 - 6/05	
7	Difference	1.30	0.2222	0.1700	0.1822	0.1300		Line 12 - Line 13	
8									
9	Monthly Revenue Diff. - Baseline	\$ 22,876	\$ 16,371	\$ 9,710	\$ 21,238	\$ 13,687	\$ 83,882	Line 1 x Line 7	
10	Monthly Revenue Diff. - Actual	\$ 22,876	\$ 16,371	\$ 9,710	\$ 21,238	\$ 13,687	\$ 83,882	Line 2 x Line 7	
11	Difference	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Line 10 - Line 9	
12									
13	Rate R-2 Heating								
14	Monthly Billing Quantities - Baseline	192,682	4,370,271	8,178,986	1,966,461	1,353,623		Reflects annual stats thru 6/05	
15	Monthly Billing Quantities - Actual	192,682	4,370,271	8,178,986	1,966,461	1,353,623		Reflects annual stats thru 6/06	
16									
17		\$/Cust	\$/therm	\$/therm	\$/therm	\$/therm			
18	Rate R-3	6.50	0.541	0.2466	0.541	0.2466		Rates effective 7/04 - 6/05	
19	Rate R-4	5.20	0.35520	0.1163	0.35520	0.1163		Rates effective 7/04 - 6/05	
20	Difference	1.30	0.1858	0.1303	0.1858	0.1303		Line 18 - Line 19	
21									
22	Monthly Revenue Diff. - Baseline	\$ 250,487	\$ 811,996	\$ 1,065,722	\$ 365,368	\$ 176,377	\$ 2,669,950	Line 14 x Line 20	
23	Monthly Revenue Diff. - Actual	\$ 250,487	\$ 811,996	\$ 1,065,722	\$ 365,368	\$ 176,377	\$ 2,669,950	Line 15 x Line 20	
24	Difference	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Line 23 - Line 22	
25									
26	Total Difference	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Line 11 + Line 24	
27	Actual RAAF Revenue								
28	RAAF Adjustment							Line 27 - Line 26	